
IOWA UTILITIES BOARD

Policy Section

Docket No.: RMU-2016-0003
Memo Date: December 12, 2016

TO: The Board

FROM: Brenda Biddle

SUBJECT: Adoption of 199 IAC Chapter 45 and Request for Comments on Revised Forms and Agreements

I. Background

On July 22, 2016, the Utilities Board (Board) issued an order commencing a rule making to review the Board's Electric Interconnection of Distributed Generation Facilities rules, 199 Iowa Administrative Code (IAC) chapter 45. The revisions incorporated stakeholder input¹ from Docket No. NOI-2014-0001, regarding distributed generation and the recently adopted Iowa Code § 476.58. Additionally, the Board issued an order on August 8, 2016, requesting comments on proposed forms and processes that were to be removed from the chapter 45 rules and posted on the Board's Web site. On October 18, 2016, the Board issued an order that provided proposed changes to the published rule revisions for participant review and requested comments on specific proposals made by Interstate Power and Light Company (IPL).

Comments or statements of positions were filed by IPL, MidAmerican Energy Company (MidAmerican), the Iowa Association of Electric Cooperatives (IAEC), the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice and ITC Midwest, LLC. Joint comments were filed by the Environmental Law & Policy Center (ELPC), the Iowa Environmental Council (IEC) and the Interstate Renewable Energy Council, Inc. (IREC). Additionally, MidAmerican filed reply comments.

II. Analysis

199 IAC 45.2(1) and 45.11(6)

IPL proposed adding "an affected system" to 199 IAC 45.2(1) and to 45.11(6) to ensure that distributed generation facilities are required to identify any adverse system impacts to both the distribution and affected systems, such as the transmission system.

¹ Stakeholder input includes comments filed in response to Board Orders issued on: January 7, 2014, May 12, 2014, September 19, 2014; December 22, 2014, March 12, 2015, and October 9, 2015; and the discussion during the workshop held on October 6, 2015.

The OCA expressed concerns that the proposed language has the potential to increase customer costs and impose additional barriers for distributed generation. The OCA said that it is unclear who would make the determination that an affected system study is necessary or what criteria would cause an affected system study to be necessary.

IPL noted that the interconnection customer is currently responsible for the cost of a feasibility, system, and facility studies; therefore, the customer should also be responsible for the cost of an affected system study and any subsequent construction resulting from the installation of the distributed generation facility. IPL said that it has no control over an affected system. Accordingly, IPL believes the transmission system owner is in a better position to determine whether there will be a negative effect on its system, whether additional studies are needed and whether any upgrades to the affected system are required.

The IAEC and MidAmerican are supportive of IPL's proposed changes to 199 IAC 45.2 and 45.11(6).

ELPC/IEC/IREC do not object to IPL's proposed revisions but suggested that the following language be added to 45.11(6) to ensure that the utility coordinate with the affected system owner so that the results of any affected system study are received in a timely manner.

45.11(6) Interconnection system impact study. An interconnection system impact study evaluates the impact of the proposed interconnection on both the safety and reliability of the utility's electric distribution system. The study identifies and details the system impacts that interconnecting the distributed generation facility to the utility's electric system have if there are no system modifications. It focuses on the potential or actual adverse system impacts identified in the interconnection feasibility study, including those that were identified in the scoping meeting. The study shall consider all other distributed generation facilities that, on the date the interconnection system impact study is commenced, are directly interconnected with the utility's system, have a pending higher review order position to interconnect to the electric distribution system, or have signed an interconnection agreement. The utility shall coordinate with any affected system owners regarding potential impacts to affected systems in a timely manner and include the results of such studies along with the system impacts study.

Staff Analysis

Staff believes that the changes proposed by IPL to add "an affected system" to the proposed IAC 45.2 and 45.11(6) are reasonable and provide additional

assurance that the installation of distributed generation facilities will not negatively impact the reliability of the utility grid. Furthermore, staff suggests that the language proposed by ELPC/IEC/REC be incorporated into 45.11(6) since there were no objections.

Revisions to the Interconnection Agreements and Forms

IPL suggested several changes to the interconnection agreements/forms in its September 6, 2016, comments. Those changes are as follows:

- Include ownership structure on the application form (owner, lease, 3rd party PPA, or other).
- Include a field for the meter number for all interconnection applications.
- Include a question to determine if the application is to expand an existing distributed generation facility.
- Collect the distributed generation facility nameplate capacity as an AC rating for all interconnection applications.
- Include specific questions related to solar PV systems to better assess their capabilities, potential output and distribution system impact.
- For Level 1 applications include a section for Additional Information for Inverter Based Facilities (like is currently done for Level 2 Interconnection Applications).
- For Level 1 – Include the following language in section 2 of the Terms and Condition:
 - Executed Certificate of Completion: The utility has signed, executed and transmitted to the interconnection customer the Certificate of Completion provide by the interconnection customer in 2 b).
- Level 2 to 4 Distributed Generation Interconnection Agreement – IPL suggests revisions to accommodate IPL's willingness to review third-party testing related to anti-islanding certification.
- Interconnection System Impact Study Agreement – IPL suggests adding a section to reflect the affected system study.

IPL provided additional justification for these revisions in its comments filed November 7, 2016, and updated its proposed language for the Interconnection System Impact Study Agreement. ELPC/IEC/IREC and MidAmerican support IPL's proposed changes to the interconnection forms and agreements. The OCA objected to the inclusion of the ownership structure on the application form because that information is not relevant to the interconnection agreement.

Additionally, some of the parties have requested clarification as to how the forms and agreements will be modified in the future since they will no longer be part of the Board's chapter 45 rules.

Staff Analysis

Staff believes the changes IPL proposed to the interconnection forms and agreements are reasonable and should be added. Staff notes that the inclusion of the ownership structure can be added to the forms but believes the field should be optional for customers to fill in.

Staff recommends the Board direct that future changes or revisions to the interconnection forms and agreements be made only after the changes have been vetted by stakeholders.

III. Recommendation

Staff recommends that the Board issue the attached orders. The first order adopts the chapter 45 rules. The adopted and filed rules should be attached to the order. The second order should include the revised forms and agreements for participants to review and direct that future changes or revisions to the interconnection forms and agreements be made only after the changes have been vetted by stakeholders. Staff suggests the Board request comments regarding the proposed forms and agreements but only to the extent that a participant believes the content of the forms or agreements is inaccurate or may cause unintended consequences.

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